



DEPARTMENT OF COMMERCE

Patent and Trademark Office

37 CFR Part 42

[Docket No.: PTO-P-2023-0024]

Request for Comments Regarding the Motion to Amend Pilot Program and Rules of Practice to Allocate the Burdens of Persuasion on Motions to Amend in Trial Proceedings Before the Patent Trial and Appeal Board

AGENCY: United States Patent and Trademark Office, Commerce.

ACTION: Request for comments.

SUMMARY: The United States Patent and Trademark Office (USPTO or Office) currently implements a pilot program for motion to amend (MTA) practice and procedures in trial proceedings under the America Invents Act (AIA) before the Patent Trial and Appeal Board (PTAB or Board). The USPTO seeks public comments on whether the MTA Pilot Program's procedures should be made permanent, and if so, whether any modifications would be beneficial. Additionally, the USPTO previously issued rulemaking covering the allocation of the burdens of persuasion in MTA proceedings. The USPTO seeks public input on the practical effects of the rules on the parties and AIA proceedings, and whether modifications to the rules, or additional guidance on implementing the rules, would be beneficial. Lastly, the USPTO seeks input on whether the Board should have broader authority to raise sua sponte grounds in the MTA process.

DATES: *COMMENT DEADLINE DATE:* To ensure consideration, commenters must submit written comments on or before [INSERT DATE 60 DAYS AFTER THE DATE OF PUBLICATION IN THE FEDERAL REGISTER].

ADDRESSES: For reasons of government efficiency, comments must be submitted through the Federal eRulemaking Portal at www.regulations.gov. To submit comments via the portal, enter docket number PTO-P-2023-0024 on the homepage and click “Search.” The site will provide a search results page listing all documents associated with this docket. Find a reference to this proposed rulemaking and click on the “Comment” icon, complete the required fields, and enter or attach your comments. Attachments to electronic comments will be accepted in ADOBE® portable document format (PDF) or MICROSOFT WORD® format. Because comments will be made available for public inspection, information that the submitter does not desire to make public, such as an address or phone number, should not be included in the comments.

Visit the Federal eRulemaking Portal (www.regulations.gov) for additional instructions on providing comments via the portal. If electronic submission of comments is not feasible due to a lack of access to a computer and/or the internet, please contact the USPTO using the contact information below for special instructions regarding how to submit comments by mail or by hand delivery, based on the public’s ability to obtain access to USPTO facilities at the time.

FOR FURTHER INFORMATION CONTACT: Miriam L. Quinn, Acting Senior Lead Administrative Patent Judge; or Melissa Haapala, Vice Chief Administrative Patent Judge; at 571-272-9797 (Miriam.Quinn@uspto.gov or Melissa.Haapala@uspto.gov, respectively).

SUPPLEMENTARY INFORMATION:

Background

Motion to Amend Pilot Program

In 2019, the Office implemented an MTA Pilot Program based on public feedback. See Notice Regarding a New Pilot Program Concerning Motion To Amend Practice and Procedures in Trial Proceedings Under the America Invents Act Before the Patent Trial

and Appeal Board, 84 FR 9497 (March 15, 2019) (MTA Pilot Program notice). The MTA Pilot Program provides a patent owner with two options if it chooses to file an MTA in an AIA trial. The MTA Pilot Program notice (see 84 FR 9497-9507) presents information regarding these two options, timelines of due dates, and other details, including replies to comments received in response to a prior request for comments published on October 29, 2018 (see Request for Comments on Motion To Amend Practice and Procedures in Trial Proceedings Under the America Invents Act Before the Patent Trial and Appeal Board (83 FR 54319)) (seeking public comments on a previously proposed procedure for MTAs, the Board's MTA practice generally, and the allocation of burdens of persuasion after *Aqua Products, Inc. v. Matal*, 872 F.3d 1290 (Fed. Cir. 2017) (en banc) (*Aqua Products*)) (2018 RFC).

Under the current program, as discussed in the MTA Pilot Program notice, a patent owner may choose to request preliminary guidance from the Board concerning the originally filed MTA. This non-binding preliminary guidance, typically in the form of a short paper, provides feedback about whether there is a reasonable likelihood that the MTA meets statutory and regulatory requirements for an MTA. MTA Pilot Program notice at 9497, 9499. The preliminary guidance also provides feedback on whether the petitioner (or the record then before the Office, including any opposition to the MTA and accompanying evidence) establishes a reasonable likelihood that any of the substitute claims are unpatentable based on the preliminary record. *Id.* at 9497. The preliminary guidance focuses on the limitations added in the MTA and does not address the patentability of the originally challenged claims. *Id.*

The patent owner may additionally or alternatively choose to file a revised MTA after receiving the petitioner's opposition to the original MTA and/or after receiving the Board's preliminary guidance (if requested). *Id.* at 9498. A revised MTA includes one or more new proposed substitute claims in place of previously presented substitute claims

and also may provide new arguments and/or evidence, but only in a manner that is responsive to issues raised in the preliminary guidance and/or the petitioner's opposition to the MTA. *Id.*

A patent owner can avail itself of either, both, or neither of these two options. If the patent owner chooses neither of the two options, the patent owner can pursue an MTA in practically the same way as before the pilot program began. *Id.* at 9498.

The MTA Pilot Program is designed to provide a standardized framework of MTA procedures and timelines for actions that would reasonably fit within the one-year statutory period from institution to a final written decision. *See, e.g., id.* at 9506-07 (providing Appendices 1A (PO Reply Timeline) and 1B (Revised MTA Timeline)).

Shortly after the Office implemented the MTA Pilot Program, it issued a Notice Regarding Options for Amendments by Patent Owner Through Reissue or Reexamination During a Pending AIA Trial Proceeding (April 2019), 84 FR 16654 (April 22, 2019) (reissue and reexamination notice). The Office issued this notice in response to comments and questions from stakeholders requesting clarification regarding existing reissue and reexamination procedures at the Office available while an AIA trial proceeding, including any appeal to the U.S. Court of Appeals for the Federal Circuit, involving the patent is pending. *Id.* at 16654-55. The reissue and reexamination notice provides a summary of various pertinent practices regarding existing Office procedures that apply to reissue and reexamination, including after a petitioner files an AIA petition challenging claims of the same patent, after the Board institutes a trial, and after the Board issues a final written decision in an AIA trial proceeding. *Id.* at 16655-58. The notice also provides summary information about factors the Office currently considers when determining whether to stay or suspend a reissue proceeding, or stay a reexamination, that involves a patent involved in an AIA proceeding, and also when and whether to lift such a stay or suspension. *Id.* at 16656-58.

In determining whether the MTA Pilot Program should be made permanent in its current form, modified in some manner, or replaced, the Office seeks the benefit of the public's experience with the program.

Rules of Practice to Allocate the Burdens of Persuasion on Motions to Amend

In light of *Aqua Products*, as well as public comments in response to the 2018 RFC and a relevant notice of proposed rulemaking dated October 22, 2019 (see Rules of Practice To Allocate the Burden of Persuasion on Motions To Amend in Trial Proceedings Before the Patent Trial and Appeal Board (84 FR 56401)), in 2020 the Office revised the rules of practice in AIA trials to allocate the burdens of persuasion for MTAs with respect to the patentability of proposed substitute claims. 37 CFR 42.121(d), 42.221(d); see Rules of Practice to Allocate the Burden of Persuasion on Motions to Amend in Trial Proceedings Before the Patent Trial and Appeal Board, 85 FR 82923 (December 21, 2020) (MTA burden-allocation rules package). The rules assign the burden of persuasion to the patent owner to show, by a preponderance of the evidence, that an MTA complies with certain statutory and regulatory requirements. 37 CFR 42.121(d)(1), 42.221(d)(1). The rules also assign the burden of persuasion to the petitioner to show, by a preponderance of the evidence, that any proposed substitute claims are unpatentable. 37 CFR 42.121(d)(2), 42.221(d)(2). Finally, the rules further specify that irrespective of those burdens, the Board may, in the interests of justice, exercise its discretion to grant or deny an MTA, but “only for reasons supported by readily identifiable and persuasive evidence of record.” 37 CFR 42.121(d)(3), 42.221(d)(3); *Hunting Titan, Inc. v. DynaEnergetics Europe GmbH*, IPR2018-00600 (PTAB July 6, 2020) (Paper 67) (*Hunting Titan*). 85 FR at 82924, 82926-27. The MTA burden-allocation rules package explained that the Office expects the Board will exercise its discretion only in “rare circumstances.” 85 FR at 82928.

Such situations may include, for example, those in which “the petitioner has ceased to participate in the proceeding or chooses not to oppose the motion to amend, or those in which certain evidence regarding unpatentability has not been raised by either party but is so readily identifiable and persuasive that the Board should take it up in the interest of supporting the integrity of the patent system, notwithstanding the adversarial nature of the proceedings.” 85 FR at 82924, 82927 (citing *Hunting Titan*, Paper 67 at 12-13, 25-26). In instances in which the Board exercises its discretion in the interests of justice, the Board will provide the parties with an opportunity to respond before rendering a final decision on the MTA. *Id.* at 82927; see also 37 CFR 42.121(d)(3), 42.221(d)(3) (“Where the Board exercises its discretion under this paragraph, the parties will have an opportunity to respond.”).

As noted in the MTA burden-allocation rules package, “[i]n the vast majority of cases, the Board will consider only evidence a party introduces into the record of the proceeding.” *Id.* Thus, “[i]n most instances, in cases where the petitioner has participated fully and opposed the motion to amend, the Office expects that there will be no need for the Board to independently justify a determination of unpatentability.” *Id.* at 82927-28. That said, the Board may consider, for example, “readily identifiable and persuasive evidence already before the Office in a related proceeding (i.e., in the prosecution history of the challenged patent or a related patent or application, or in the record of another proceeding before the Office challenging the same patent or a related patent).” *Id.* at 82927. Likewise, “the Board may consider evidence that a district court can judicially notice under Federal Rule of Evidence 201.” *Id.*; see also 37 CFR 42.121(d)(3), 42.221(d)(3) (“[T]he Board may make of record only readily identifiable and persuasive evidence in a related proceeding before the Office or evidence that a district court can judicially notice.”).

Subsequent to the issuance of the burden-allocation rules, the United States Court of Appeals for the Federal Circuit issued a precedential decision in *Hunting Titan, Inc., v. DynaEnergetics Europe GmbH*, 28 F.4th 1371 (Fed. Cir. 2022). The court stated that no court precedent has “established that the Board maintains an affirmative duty, without limitation or exception, to sua sponte raise patentability challenges to a proposed substitute claim.” *Id.* at 1381 (citations omitted). The court also stated that “confining the circumstances in which the Board should sua sponte raise patentability issues was not itself erroneous.” *Id.* The court, however, found it “problematic” that the USPTO confined the Board’s discretion to only rare circumstances. *Id.* It also noted that the USPTO’s “substantial reliance on the adversarial system . . . overlooks the basic purpose of [inter partes review] proceedings: to reexamine an earlier agency decision and ensure ‘that patent monopolies are kept within their legitimate scope.’” *Id.* (citations omitted); *see id.* at 1385 (concurrence expressing concern that the burden-allocation rule’s requirement for “readily identifiable and persuasive evidence” may prevent the Board from raising grounds “even when no one is around to oppose a new patent monopoly grant”).

The court also clarified that it was “not decid[ing] whether the Board has an independent obligation to determine patentability of proposed substitute claims.” *Id.* at 1382. Under the rules as currently written, the Board retains discretion to raise, or to not raise, grounds of unpatentability.

In light of the court’s commentary on both the revised rules and the Board’s *Hunting Titan* decision, and the Office’s desire to support the integrity of the patent system and to issue robust and reliable patent rights, the Office seeks public comments on whether the Board should have broader authority to raise sua sponte grounds in the MTA process. Additionally, the Office seeks public comments on whether, and under what

circumstances, the Office should solicit patent examiner assistance regarding an MTA or conduct a prior art search in relation to proposed substitute claims.

Furthermore, if the Board exercises its discretion and raises its own grounds of unpatentability under 37 CFR 42.121(d)(3), the burden-allocation rule does not specifically state where the burden of persuasion lies for Board-raised grounds. One interpretation of current Board authority would be that, because this scenario is outside of the adversarial process, neither party bears the burden of persuasion. The Office seeks public comments on whether the burden-allocation rule should be revised to clarify who bears the burden of persuasion for grounds of unpatentability raised by the Board under 37 CFR 42.121(d)(3) or 42.221(d)(3); see also *Nike, Inc. v. Adidas AG*, No. 2021-1903, 2022 WL 4002668, at *4-10 (Fed. Cir. Sept. 1, 2022) (finding “it unnecessary to determine here whether, in an *inter partes* review, the petitioner or Board bears the burden of persuasion for an unpatentability ground raised sua sponte by the Board against proposed substitute claims,” after determining the outcome in the case would be the same regardless).

Questions Regarding the Pilot Program and Burdens of Persuasion in Motions to Amend

The Office welcomes any comments from the public on the pilot program and burdens of persuasion for MTAs, and in particular, requests feedback on the following questions:

- (1) Has the MTA Pilot Program positively or negatively impacted a patent owner’s ability to successfully amend claims in an AIA proceeding? Has it made it more likely that a patent owner will avail itself of the MTA process?
- (2) Are there circumstances in which reexamination and/or reissue proceedings are better options for patent owners seeking to amend claims challenged in an AIA proceeding, as compared to the MTA Pilot Program? Is there anything more the Office can do to make the MTA process more useful to patent

owners?

- (3) Should the Office modify any aspect of the MTA Pilot Program? Should the Office continue to provide the options of receiving preliminary guidance and being able to revise an MTA, as currently implemented?
- (4) Assuming the MTA Pilot Program should remain, should any aspect of preliminary guidance, as currently provided by the Board, be changed?
- (5) What barriers, if any, exist that the Office can address to increase the effectiveness of the MTA procedure?
- (6) Should the Office modify its practice of when the Board can or should raise a new ground of unpatentability, and if so, how? For example, should the PTAB's decision in the *Hunting Titan* case continue to guide when and how the Board can and should raise a new ground of unpatentability? If so, why and how?
- (7) Should the Office involve patent examiner assistance in relation to MTAs? Should the Office conduct a prior art search in relation to proposed substitute claims in certain situations? If so, under what circumstances? And should examiner assistance or prior art searches be limited in any way?
- (8) Should the Office clarify in its rules where the burden of persuasion for Board-raised grounds lies? Who should bear that burden?
- (9) Should any other aspects of the MTA rules (37 CFR 42.121, 42.221), including as they relate to the Board's discretion to grant or deny an MTA, be changed, and if so, how?

Katherine K. Vidal,

Under Secretary of Commerce for Intellectual Property and Director of the United States Patent and Trademark Office.

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